

# STAFFORD COUNTY SCHOOL BOARD

## Agenda Consideration

**TOPIC:** Change and Award of Contract: Energy Lease

**ITEM NO:** 13L

**PREPARED BY:**

Wayne Carruthers  
Assistant Superintendent of  
Financial Services

Gladys Gomez  
Director of Finance & Accounting

André A. Nougaret  
Assistant Superintendent for  
Support Services

**MEETING:** July 11, 2006

**ACTION DATE:** July 11, 2006

---

**ACTION REQUESTED BY THE SUPERINTENDENT:** That the School Board approve the award of lease/purchase financing to CitiCapital, 993 Saye Creek Drive, Madison, GA 30650 in the amount of \$3,143,898 on the terms negotiated by school officials, with the advice of the School Board Attorney; and authorize Assistant Superintendent for Finance to execute on behalf of the School Board the agreements and related documents for these services/improvements and the lease/purchase financing; and authorize the Superintendent and Assistant Superintendent for Finance to make all necessary budget transfers as required for the lease payments over the life of the lease agreement; and that the School Board ratify all actions taken by the authorized school officials with respect to the Energy Performance Contracting and the lease/purchase financing related thereto.

---

**KEY POINTS:**

- At the June 20, 2006 School Board meeting, Agenda Item 13F "Energy Performance Contracting" was approved by the School Board. Attachment #1 includes this agenda item as it contains all relevant background information including the Energy Services Agreement that was reviewed and approved by School Board Counsel.
- Funding will be provided by a tax exempt municipal lease. Competitive responses to our RFP were received from eight (8) financing institutions at a June 12, 2006 bid opening. Originally Bank of America was identified as the low and responsive bidder and presented to the School Board for approval and was approved at the June 20, 2006 meeting.
- Subsequent to the June 20, 2006 School Board meeting, the original approved bidder, Bank of America, was unable to meet the requirements of the RFP. As the next low and responsive bidder, Citicapital was contacted and updated terms were obtained since Citicapital's original RFP response had expired on June 30, 2006.

- It has been determined that an annual percentage rate of 4.2450% will be secured through CitiCapital if closed on or before July 30, 2006. This lease will fund project costs. Project funding will be placed in escrow and dispersed as needed during the construction period with earned interest accruing to the benefit to Stafford County Public Schools. Project payments will be repaid over a 10-year term, quarterly in arrears, whichever is most beneficial to Stafford County Public Schools. Annual guaranteed savings amount identified in the Noresco Energy Services Agreement will be sufficient to fund lease payments throughout the term of agreement. **As a result project is self-funded.**
- Additional information will be shared at the July 11, 2006 School Board meeting.

**SCHOOL BOARD GOAL:** Goal #5: Provide facilities that promote student learning and community support.  
Goal #7: Provide school environments where teachers are safe to teach and students are safe to learn.

**FUNDING SOURCE:** Lease payments will be funded through the guaranteed utility cost savings.

**AUTHORIZATION REFERENCE:** Section 11-34.3 Code of Virginia – Energy Performance –  
*February 8, 2006* Based Contract Procedures  
School Board Policy 4-32  
School Board Policy 4-28